

## The Effect of Profit and Independence on Entrepreneurial Motivation in Deli Serdang Regency Business Actors

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**Abstract.** Entrepreneurship is an activity that has the potential to enhance employment opportunities, offer a wide range of economic services to the community, contribute to the process of equitable distribution and the rise of community revenue, foster economic growth, and contribute to the realization of national stability. This study is a quantitative research project that intends to investigate the effect of two X factors, namely Profit (X1) and Independence (X2), on Entrepreneurial Motivation (Y) in Sunggal Kanan Village, which is located in the Sunggal District of the Deli Serdang Regency. The purpose of this study was to determine the replies of respondents to each variable, and the data collection techniques used in this study were questionnaires, which were administered to a total of 54 respondents. Validity tests, reliability testing, classical assumption tests (such as tests for normality, multicollinearity, and heteroscedasticity), multiple linear regression analysis, and goodness of fit tests (such as the F test, the t test, and the coefficient of determination) are all included in the analysis that is carried out. The data that was collected is the result of distributing questionnaires to respondents, which were then analyzed using the SPSS application and the results were acquired. The results showed that profit ( $t_{count}$  of 2.604) and independence ( $t_{count}$  of 7.372) was greater than  $t_{table}$  (1.675) which means that both variables partially had a positive and significant effect on entrepreneurial motivation, with the results ( $f_{count}$  of 31.678) greater than ( $f_{table} = 3.18$ ), it can be concluded that profit and independence simultaneously have a positive and significant effect on entrepreneurial motivation.

**Keywords:** Profit, Independence, Entrepreneurial Motivation.

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### 1. Introduction

According to information provided by the Central Statistics Agency (BPS), from now until February 2023, there will be 7.99 million persons in Indonesia who are without access to employment. According to the Central Statistics Agency (BPS), the number of persons who are unemployed and open to the public in North Sumatra is expected to reach 413 thousand in February of 2023. The issues of unemployment and poverty are, without a doubt, issues that have been examined for a considerable amount of time while discussing the progression of civilization. Entrepreneurship is one method that can be utilized to alleviate unemployment. According to Kasmir, who is quoted in Harmaizar [1], entrepreneurs are individuals who are willing to take risks in order to launch a firm on several occasions. The advancement of a nation's economy is significantly influenced by entrepreneurial endeavors, and Indonesia is no exception to this rule. Employment, broad economic services to the community, participation in the process of equitable distribution and increase in people's income, encouragement of economic growth, and participation in the realization of national stability are all roles that entrepreneurs play in the national economy. Entrepreneurship also plays a role in the process of achieving national stability.

There are a lot of people who are interested in starting their own business, but their interest is confined to curiosity or a desire to do so. They lack the strong drive and motivation that would allow them to actually

become entrepreneurs. As a consequence of this, a significant number of business owners are unsuccessful in managing their companies. There is also a need for entrepreneurial motivation in the realm of entrepreneurship. It is essential to employ entrepreneurial motivation in order to cultivate interest and excitement in those who are either just beginning their firm or who currently have one. In addition, goals have an effect on one's motivation. A higher and more significant aim will result in a bigger level of motivation, and the higher the level of motivation, the more strongly the activity will be carried out. There are many different reasons why people choose to start their own businesses, and one of them is the desire to become financially independent [2]. The ability to be independent in all aspects, including capital, management, supervision, and even as a manager of oneself, is something that will make an entrepreneur feel proud [3]. This is because they are able to be independent in all of these areas. Independence can refer to either an object or a state of being, where a person is able to do without the assistance of other people.

One of the factors that influences the motivation of entrepreneurs is profit, in addition to the ability to be independent. Profit, which can be defined as remuneration or risk that is borne by the organization, is the primary objective of a corporation. The amount of profit that a company is able to generate for itself is a good indicator of how successful the business is, and profit is one of the factors that determines whether or not the business will continue to exist. Profit refers to the amount of money that a company makes as a result of the activities that it engages in for its business. One of the primary goals that the firm strives to achieve via the accomplishment of its activities is to make a profit. The profits that the firm has earned will be put to use for a variety of goals, one of which is to enhance the welfare of the company in exchange for the services that it receives. In addition to the fact that starting a business is very important to do with the hope that the benefits obtained can fulfill the needs of life and goals for them, the presence of various kinds of business actors in various fields located in Sunggal Kanan Village, Sunggal District, Deli Serdang Regency provides existing people with the opportunity to begin to understand the significance of entrepreneurship. Beginning a business with the intention of wanting to be independent and achieve success is a catalyst for enthusiasm for them. It is common knowledge among those in the business world that it is currently quite challenging to find work due to the fact that the number of job applications is not equal to the number of available positions.

The business actors in Sunggal Kanan Village, Sunggal District, Deli Serdang Regency consist of culinary business actors such as snacks, meatball stalls, cafes, rice stalls, and those who sell a variety of drinks. In the field of fashion consists of souvenir shops, boutiques, clothing stores, barbershops. The field of agribusiness consists of crop cultivation, fruit traders, vegetable traders, livestock traders, such as fish, chickens, cows and goats. However, this kind of condition will reflect a phenomenon in society or consumers who are increasingly critical in choosing a place to shop. In this case, business actors in Sunggal Kanan Village also experience decreased intensity in their success in achieving entrepreneurial goals. Based on the pre-survey above, there are problems for business actors in Sunggal Kanan Village, Sunggal District, Deli Serdang Regency, namely the profit factor because there is a lot of competition between the same business owners, making sales profits unstable, and economic conditions against increasing cost of goods and operating expenses greatly affect the profits generated, and cause a decrease in entrepreneurial motivation. The next problem is the independence factor where some business actors still do not dare to take risks and are responsible for building a business, making independence in themselves difficult to form.

## **2. Literature Review**

### **2.1. Profit Definition**

The definition of profit according to (Ardhianto, 2019) is "Profit is the excess of total revenue compared to total expenses, also called net income or net earning". According to Stice Skousen, [4] profit is the taking of investment to the owner. It measures the value that an entity can provide to investors and the entity still has the same wealth as its initial position.

### **2.2. Definition of Independence**

Self-reliance comes from the word independent. According to Poerwadarminta, [5] independence is not dependent on others, while independence is the state of being able to stand alone without depending on others. The ability to perform daily activities or tasks according to the stages of development. Independence, like any other psychological, can develop by providing opportunities to develop through continuous practice, in the form of unassisted assignments.

### **2.3. Definition of Entrepreneurial Motivation**

An impulse that develops from a person to take or carry out actions relating to the field of entrepreneurship is what is referred to as "entrepreneurial motivation," as stated by Galih Noviantoro (2017). According to Hamzah B. Uno [6], motivation is a drive that originates from both within and from without, and it is the desire to create changes that motivates an individual. According to Ratnawati and Kuswardani [7], entrepreneurial motivation is a state that encourages, moves, and directs individual desires to carry out entrepreneurial activities in an independent manner, believe in themselves, be oriented to the future, dare to take risks, be creative, and highly value the desire for innovation. In that regard, entrepreneurial motivation is a state that encourages, moves, and directs individual desires.

## **3. Method**

### **3.1. Research Approach**

According to Rusiadi [8], this study makes use of quantitative research, which is a sort of research that seeks to determine the link between two or more variables. This is in accordance with the opinion [8].

### **3.2. Population and Sample**

According to Rusiadi [8], a population is a generalized region that will be comprised of items and individuals that have particular features and characteristics that have been established by researchers in order to be examined and then conclusions taken from those studies. As a result of the understanding of population that was presented earlier, it is possible to draw the conclusion that population is the total number of samples that were utilized in this investigation. These samples consisted of business actors in Sunggal Kanan Village, Sunggal District, Deli Serdang Regency who are active in the fields of culinary arts, fashion, and agribusiness. The total number of business actors who are currently operating is approximately 115.

Despite the fact that the sample represents a subset or representative of the population that was investigated. According to Rusiadi [8], sampling by probability sampling is a method of sampling that ensures that every component of the population has an equal chance of being picked as a member of the sample [8].

### **3.3. Data Analysis Techniques**

In this particular investigation, the method of analysis that was utilized was a quantitative data analysis strategy that utilized multiple linear regression analyses. Among the several types of regression models, multiple linear regression is one that incorporates more than one independent variable. According to Saleh and Utomo (2018), multiple linear regression analysis is performed in order to ascertain the direction of effect that the independent variable has on the dependent variable as well as the degree of influence that it has (Saleh & Utomo, 2018).

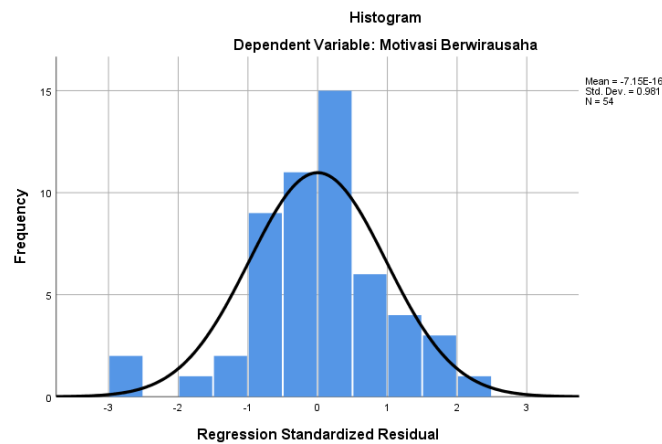
## **4. Result and Discussion**

### **4.1. Classical Assumption Test**

#### **a. Normality Test**

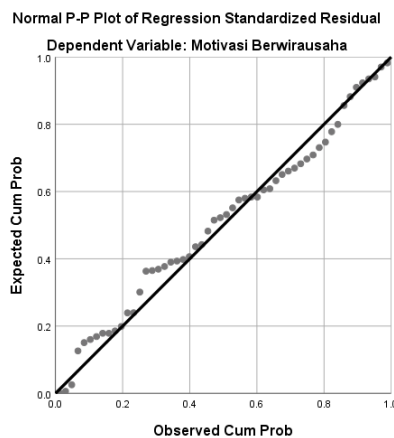
Histograms and normal probability plots are two methods that can be utilized to gain an understanding of the assumption of normalcy. When using the Normal Probability Plot, it is possible to determine whether or not the data are normal by examining the dispersion of the data (points) along the diagonal component of the graph. It is based on the assumption that

the regression model satisfies the assumption of normality if the data are distributed around the diagonal line and follow the direction of the diagonal line. This is the basis for decision making.



**Figure 1.** Normality Test Histogram

Based on Figure 1., it is known that the curve on the histogram of data smearing results forms a bell with the peak of the curve in the middle. Based on this, it can be concluded that the data in this study is normally distributed.



**Figure 2.** P-P Normality Test Plot

Based on Figure 2., it is known that the data points are actually spread around the diagonal line. Based on this, it can be concluded that the data in this study is normally distributed.

**b. Multicollinearity Test**

The magnitude of the Variance Inflation Factor (VIF) and tolerance can be used to determine whether or not the regression model that is being utilized is free from multicollinearity issues. The VIF value should not be greater than 10, and the tolerance value should not be less than 0.1.

**Table 1.** Multicollinearity Test

| Collinearity Statistics                           |              |           |       |
|---|--------------|-----------|-------|
| Type  |              | Tolerance | VIF   |
| 1   | (Constant)   |           |       |
|   | Profit       | .997      | 1,003 |
|   | Independence | .997      | 1,003 |
| a. Dependent Variable: Entrepreneurial Motivation |              |           |       |

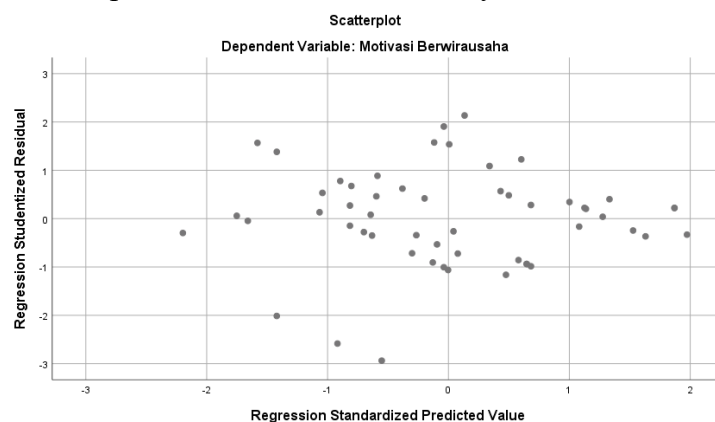
Source: SPSS Processing Results version 25.0

It is known that the tolerance value of the profit and independence variable is 0.997, and

the value of the VIF for the profit and independence variable is 1.003. This information is based on Table 1. Taking into consideration these findings, it is possible to draw the conclusion that there was no multicollinearity in this investigation. This is due to the fact that the tolerance value was higher than 0.10 and the VIF value was lower than 10.

### c. Heteroscedasticity Test

The purpose of this test is to determine whether or not there is an inequity in the variance of residuals from one observation to another in a regression model. According to Sugiyono (2015), the term "homokedasticity" refers to a situation in which the variation of the residual from one observation to another remains constant. On the other hand, the term "heterokedasticity" describes a situation in which the variation varies. The absence of heterokedasticity issues is a characteristic that may be attributed to a regression model. If the data points are dispersed above and below or around the number 0, the distribution of the data points should not produce a wavy pattern that widens and then narrows and widens again. This is because the data points do not accumulate only above or below the number 0.



**Figure 3.** Scattrrplot Multicollinearity Test  
Source: SPSS Processing Results version 25.0

Based on Figure 3., it can be seen that the data points spread around the top and bottom of the zero and do not form a particular pattern or trend. It can be concluded that in this study there was no multicollinearity.

### 4.2. Multiple Linear Regression

The analysis technique in this study uses multiple linear regression by looking at the Beta value in the *Unstandardized Coefficients table*.

**Table 2.** Multiple Linear Regression

| Unstandardized Coefficients |              |                             |            |
|-----------------------------|--------------|-----------------------------|------------|
| Type                        |              | Unstandardized Coefficients |            |
|                             |              | B                           | Std. Error |
| 1                           | (Constant)   | 3.679                       | 3.003      |
|                             | Profit       | .243                        | .093       |
|                             | Independence | .455                        | .062       |

Source: SPSS Processing Results version 25.0

Based on Table 2., multiple linear regression analysis in this study is formulated as follows:

$$Y = 3,679 + 0,243X_1 + 0,445X_2 + \epsilon$$

- 1) If everything on the independent variables is considered zero, then the value of entrepreneurial motivation is 3.679.
- 2) If there is an increase in profit by one unit, then entrepreneurial motivation will increase by 0.243 or 24.3%.
- 3) If there is an increase in independence by one unit, then entrepreneurial motivation increases by 0.445 or 44.5%.

### 4.3. Conformity Test

#### a. Partial Test (Test t)

The purpose of the partial test is to assess the effect of the independent variable on the dependent variable in a manner that is either limited or distinct. If the value of the t-count is more than the t-table and the significance value is lower than  $\alpha = 5\%$  (0.05), then the variable is considered to be important. The value of the t-calculate for  $Df = 51$  and the significance threshold of 0.05 is 1.675, as determined by the findings that were obtained. This study's partial test yielded the following results, which are presented below:

**Table 3.** Partial Test

| Coefficients <sup>a</sup>                         |              |       |       |
|---|--------------|-------|-------|
| Type  |              | t     | Sig.  |
| 1   | (Constant)   | 1,225 | 0,226 |
|   | Profit       | 2.604 | 0,012 |
|   | Independence | 7.372 | 0.000 |
| a. Dependent Variable: Entrepreneurial Motivation |              |       |       |

Source: SPSS Processing Results version 25.0

On the basis of Table 3, it is known that the t-count value of the profit variable is 2.604, and the significance level for this variable is 0.012. On the other hand, the t-hitng value for the independence variable is 7.372, and the significance level for this variable is 0.000. It is possible to draw the conclusion, on the basis of this explanation, that both profit variables and independence variables have a significant and positive effect on entrepreneurial motivation to a certain extent.

#### b. Simultaneous Test

If the value of the F-count is larger than the F-table and the significance value is less than  $\alpha = 5\%$  (0.05), then simultaneous tests are utilized to assess the effect of the independent variable on the dependent variable concurrently. This is accomplished by determining the value of the F-count on the hypothesis test. When it comes to determining the value of the F-table in this investigation, namely by examining the  $Df_1$  and  $Df_2$  values that are included in the F-table appendix. The value of F-calculate for  $Df_1=2$  and  $Df_2=51$ , taken together with the significance threshold of 0.05, is 3.18. This is based on the data that were obtained. The following are the outcomes of the simultaneous tests conducted in this study:

**Table 4.** Simultaneous Test

| ANOVA <sup>a</sup> |            |                |    |             |        |           |
|--------------------|------------|----------------|----|-------------|--------|-----------|
| Type               |            | Sum of Squares | Df | Mean Square | F      | Sig.      |
| 1                  | Regression | 374.234        | 2  | 187.117     | 31.678 | .000<br>b |
|                    | Residuals  | 301.247        | 51 | 5.907       |        |           |
|                    | Total      | 675.481        | 53 |             |        |           |

|   |
|---|
| a. Dependent Variable: Entrepreneurial Motivation |
| b. Predictors: (Constant), Independence, Profit   |

Source: SPSS Processing Results version 25.0

Based on Table 4., it is known that the F-count value in this study is 31.678 and the significance level is 0.000. Based on this explanation, it can be concluded that profit and independence simultaneously have a positive and significant effect on entrepreneurial motivation.

### c. Coefficient of Determination

The  $R^2$  (*R Square*) test is carried out with the purpose of determining the extent to which the independent variables influenced the dependent variable in conjunction with one another. The number of the Adjusted R Square multiplied by one hundred percent can be used to determine the correlation or link that exists between the variables.

**Table 5.** Coefficient Determination

| Model Summary <sup>b</sup>                        |                   |          |                   |                            |
|---|-------------------|----------|-------------------|----------------------------|
| Type  | R                 | R Square | Adjusted R Square | Std. Error of the Estimate |
| 1   | .744 <sup>a</sup> | .554     | .537              | 2.430                      |
| a. Predictors: (Constant), Independence, Profit   |                   |          |                   |                            |
| b. Dependent Variable: Entrepreneurial Motivation |                   |          |                   |                            |

Source: SPSS Processing Results version 25.0 (2023)

It is known that the coefficient of determination can be observed from the value of Adjusted R Square, which in this study is 0.537, which is equivalent to 0.537% multiplied by 100 percent. This information is based on Table 5. It is possible to draw the conclusion that the independent factors in this study, namely profit and independence, were able to explain the variables of entrepreneurial motivation around 53.7% of the time, while the remaining 46.3% of the time were impacted by other variables that were not included in this study

## 4.4. Discussion

### a. The Effect of Partial Profit on Entrepreneurial Motivation

On the basis of the findings of the partial test of the profit variable, a t-count value was obtained that was higher than the t-table, which was 2.064, and a significance level that was significantly lower than 0.05, which was 0.012. Taking into consideration the aforementioned explanation, it is possible to draw the conclusion that profit has a good and significant impact on the motivation of entrepreneurs.

### b. The Effect of Independence on Entrepreneurial Motivation

On the basis of the partial test findings of the independence variable, a t-count value was obtained that was higher than the t-table, which was 7.372, and the significance level was significantly lower than 0.05, which was 0.000. On the basis of this argument, one can get the conclusion that certain degrees of autonomy have a positive and considerable impact on the incentive to engage in entrepreneurial activities.

### c. The Effect of Profit and Independence on Entrepreneurial Motivation

It was determined that the F-count value was higher than the F-table, which was 31.678, and that the significance level was significantly lower than 0.05, which was 0.000. This was determined based on the results of simultaneous testing. On the basis of this argument, one can get the conclusion that the simultaneous presence of profit and freedom has a positive and considerable impact on the drive towards entrepreneurial endeavors.

## 5. Conclusion

For business actors to always continue to innovate both in terms of raw materials, production tools and products created in order to continue to compete in the market and obtain maximum profit or profit. For

business actors to be more considerate of taking business risks, understand the advantages and disadvantages of their business in order to achieve goals. Business establishment is achieved to the maximum. For further researchers to be able to add different variables or research methods so that diversity occurs in similar research.

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